
HOUSE BILL No. 1196

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-16-3.1-4; IC 13-21-3; IC 21-2-15-11; IC 36-8.

Synopsis: Property tax and budget matters. Makes various amendments for consistency with the change of assessed value to 100% of true tax value. Provides that certain cumulative fund rate adjustments apply for only one year after a general reassessment. Makes certain amendments with respect to excessive levy appeals. Provides that if a political subdivision does not fix the budget, tax rate, and tax levy for the ensuing budget year, the most recent annual budget and tax levy are continued for the ensuing budget year. Eliminates the requirement for a township trustee to advertise a poor relief tax rate. With respect to bonds and leases: (1) permits an objection petition to the department of local government finance only if a local objection petition was filed; (2) applies certain provisions for objection only if the project cost is more than \$2,000,000; and (3) requires a school corporation to disclose expected new facility operating costs and whether a levy appeal will be made to pay those costs. Updates population parameters to reflect changes in the 2000 decennial census.

Effective: Upon passage; January 1, 2002 (retroactive); July 1, 2002.

Bauer

January 10, 2002, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1196

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-17-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The proper
3 officers of a political subdivision shall formulate its estimated budget
4 and its proposed tax rate and tax levy on the form prescribed by the
5 ~~state board of tax commissioners~~ **department of local government**
6 **finance** and approved by the state board of accounts. The political
7 subdivision shall give notice by publication to taxpayers of:
8 (1) the estimated budget;
9 (2) the estimated maximum permissible levy;
10 (3) the current and proposed tax levies of each fund; and
11 (4) the amounts of excessive levy appeals to be requested.
12 In the notice, the political subdivision shall also state the time and
13 place at which a public hearing will be held on these items. The notice
14 shall be published twice in accordance with IC 5-3-1 with the first
15 publication at least ten (10) days before the date fixed for the public
16 hearing.
17 ~~(b) The trustee of each township of the county shall:~~

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- (1) estimate the amount necessary to meet the cost of poor relief in the township for the ensuing calendar year; and
 (2) publish with the township budget a tax rate sufficient to meet the estimated cost of poor relief.

The taxes collected as a result of this rate shall be credited to the county poor fund.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
 (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

SECTION 2. IC 6-1.1-17-5, AS AMENDED BY P.L.178-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

- (1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.
 (2) The fiscal body of a second class city, not later than September 30.
 (3) The board of school trustees of a school corporation that is located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand (~~110,000~~); **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000)**, not later than the time required in section 5.6 of this chapter.
 (4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.



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(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 3. IC 6-1.1-17-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. **(a) Except as provided in subsection (b),** ten (10) or more taxpayers may initiate an appeal from the county board of tax adjustment's action on a political subdivision's budget by filing a statement of their objections with the county auditor. The statement must be filed within ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget and tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the ~~state board of tax commissioners~~ **department of local government finance.**

(b) This subsection applies to provisions of the budget and tax levy of a political subdivision:

(1) against which an objection petition was filed under section 5(b) of this chapter; and

(2) that were not changed by the fiscal body of the political subdivision after hearing the objections.



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A group of ten (10) or more taxpayers may not initiate an appeal under subsection (a) against provisions of the budget and tax levy if less than seventy-five percent (75%) of the objecting taxpayers with respect to the objection petition filed under section 5(b) of this chapter were objecting taxpayers with respect to the objection statement filed under subsection (a) against those provisions.

SECTION 4. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;

IC 8-16-3;

IC 8-16-3.1;

IC 8-22-3-25;

IC 14-27-6-48;

IC 14-33-9-3;

IC 16-22-8-41;

IC 16-22-5-2 through IC 16-22-5-15;

IC 16-23-1-40;

IC 36-8-14;

IC 36-9-4-48;

IC 36-9-14;

IC 36-9-14.5;

IC 36-9-15;

IC 36-9-15.5;

IC 36-9-16;

IC 36-9-16.5;

IC 36-9-17;

IC 36-9-26;

IC 36-9-27-100;

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1 IC 36-10-3-21; or
 2 IC 36-10-4-36;
 3 that are first due and payable during the ensuing calendar year;
 4 over
 5 (B) the property taxes imposed by the city, town, or county
 6 under the authority of the citations listed in clause (A) that
 7 were first due and payable during calendar year 1984.
 8 (b) The maximum property tax rate levied under the statutes listed
 9 in subsection (a) must be adjusted each time a general reassessment of
 10 property takes effect **for taxes payable in the year that immediately**
 11 **succeeds the year in which the general reassessment of property**
 12 **takes effect. The maximum property tax rate levied under a statute**
 13 **listed in subsection (a) applies for taxes payable in any other year.**
 14 (c) The ~~new~~ maximum rate under a statute listed in subsection (a)
 15 **for taxes payable in the year that immediately succeeds the year in**
 16 **which the general reassessment of property takes effect** is the tax
 17 rate determined under STEP SEVEN of the following formula:
 18 STEP ONE: Determine the maximum rate for the political
 19 subdivision levying a property tax under the statute for the year
 20 preceding the year in which the general reassessment takes effect.
 21 STEP TWO: Determine the actual percentage increase (rounded
 22 to the nearest one-hundredth percent (0.01%)) in the assessed
 23 value of the taxable property from the year preceding the year the
 24 general reassessment takes effect to the year that the general
 25 reassessment is effective.
 26 STEP THREE: Determine the three (3) calendar years that
 27 immediately precede the ensuing calendar year and in which a
 28 statewide general reassessment of real property does not first
 29 become effective.
 30 STEP FOUR: Compute separately, for each of the calendar years
 31 determined in STEP THREE, the actual percentage increase
 32 (rounded to the nearest one-hundredth percent (0.01%)) in the
 33 assessed value of the taxable property from the preceding year.
 34 STEP FIVE: Divide the sum of the three (3) quotients computed
 35 in STEP FOUR by three (3).
 36 STEP SIX: Determine the greater of the following:
 37 (A) Zero (0).
 38 (B) The result of the STEP TWO percentage minus the STEP
 39 FIVE percentage.
 40 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 41 divided by the sum of one (1) plus the STEP SIX percentage
 42 increase.

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(d) The ~~state board of tax commissioners~~ **department of local government finance** shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a).

SECTION 5. IC 6-1.1-18.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may, before ~~October 2~~ **September 20** of the calendar year immediately preceding the ensuing calendar year, appeal to the ~~state board of tax commissioners~~ **department of local government finance** for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The ~~state tax board of commissioners~~ **department of local government finance** shall promptly deliver to the local government tax control board every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board shall immediately proceed to the examination and consideration of the merits of the civil taxing unit's appeal.

(c) In considering an appeal, the local government tax control board has the power to conduct hearings, require any officer or member of the appealing civil taxing unit to appear before it, or require any officer or member of the appealing civil taxing unit to provide the board with any relevant records or books.

(d) If an officer or member:

(1) fails to appear at a hearing of the local government tax control board after having been given written notice from the local government tax control board requiring his attendance; or

(2) fails to produce for the local government tax control board's use the books and records that the local government tax control board by written notice required the officer or member to produce;

then the local government tax control board may file an affidavit in the circuit court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

(e) Upon the filing of an affidavit under subsection (d), the circuit court shall promptly issue a summons, and the sheriff of the county within which the circuit court is sitting shall serve the summons. The

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summons must command the officer or member to appear before the local government tax control board, to provide information to the local government tax control board, or to produce books and records for the local government tax control board's use, as the case may be. Disobedience of the summons constitutes, and is punishable as, a contempt of the circuit court that issued the summons.

(f) All expenses incident to the filing of an affidavit under subsection (d) and the issuance and service of a summons shall be charged to the officer or member against whom the summons is issued, unless the circuit court finds that the officer or member was acting in good faith and with reasonable cause. If the circuit court finds that the officer or member was acting in good faith and with reasonable cause or if an affidavit is filed and no summons is issued, the expenses shall be charged against the county in which the affidavit was filed and shall be allowed by the proper fiscal officers of that county.

SECTION 6. IC 6-1.1-19-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A county board of tax adjustment may not approve or recommend the approval of an excessive tax levy.

(b) If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment which reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive tax levy to the maximum normal tax levy.

(c) If a county board of tax adjustment approves, or recommends the approval of, an excessive tax levy for a school corporation, the auditor of the county for which the county board is acting shall reduce the excessive tax levy to the maximum normal tax levy. Such a reduction shall be set out in the notice required to be published by the auditor under IC 6-1.1-17-12, and an appeal shall be permitted therefrom as provided under IC 6-1.1-17 as modified by this chapter.

(d) Appeals from any action of a county board of tax adjustment or county auditor in respect of a school corporation's budget, tax levy, or tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding IC 6-1.1-17, a school corporation may appeal to the ~~state board of tax commissioners~~ **department of local government finance** for emergency financial relief for the ensuing calendar year at any time ~~after the budget, tax rate, and tax levy of the school corporation are fixed under IC 6-1.1-17-5; but not later than twenty (20) days after the county auditor publishes notice under IC 6-1.1-17-12 of the tax rate to be charged in the school corporation for before September 20 of the calendar year immediately preceding~~ the ensuing calendar year.

(e) In the appeal petition in which a school corporation seeks

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1 emergency financial relief, the appellant school corporation shall allege
 2 that, unless it is given the emergency financial relief for which it
 3 petitions, it will be unable to carry out, in the ensuing calendar year, the
 4 public educational duty committed to it by law, and it shall support that
 5 allegation by reasonably detailed statements of fact.

6 (f) When an appeal petition in which a school corporation petitions
 7 for emergency financial relief is filed with the ~~state board of tax~~
 8 ~~commissioners, department of local government finance, the board~~
 9 ~~department~~ shall include, in the notice of the hearing in respect of the
 10 petition that it is required to give under IC 6-1.1-17-16, a statement to
 11 the effect that the appellant school corporation is seeking emergency
 12 financial relief for the ensuing calendar year. A subsequent action
 13 taken by the ~~state board of tax commissioners department of local~~
 14 ~~government finance~~ in respect of such an appeal petition is not
 15 invalid, however, or otherwise affected, if the ~~board department~~ fails
 16 to include such a statement in the hearing notice.

17 SECTION 7. IC 6-1.1-20-1.1 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1.1. As used in this
 19 chapter, "controlled project" means any project financed by bonds or
 20 a lease, except for the following:

21 (1) A project for which the political subdivision reasonably
 22 expects to pay:

23 (A) debt service; or

24 (B) lease rentals;

25 from funds other than property taxes that are exempt from the
 26 levy limitations of IC 6-1.1-18.5 or IC 6-1.1-19. A project is not
 27 a controlled project even though the political subdivision has
 28 pledged to levy property taxes to pay the debt service or lease
 29 rentals if those other funds are insufficient.

30 (2) A project that will not ~~obligate cost~~ the political subdivision
 31 ~~to more than two million dollars (\$2,000,000). in debt service or~~
 32 ~~lease rentals.~~

33 (3) A project that is being refinanced for the purpose of providing
 34 gross or net present value savings to taxpayers.

35 (4) A project for which bonds were issued or leases were entered
 36 into before January 1, 1996, or where the state board of tax
 37 commissioners has approved the issuance of bonds or the
 38 execution of leases before January 1, 1996.

39 (5) A project that is required by a court order holding that a
 40 federal law mandates the project.

41 SECTION 8. IC 6-1.1-20-3.1 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.1. A political

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subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects

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to appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased adjusted base levy to pay the estimated costs described in clause (F).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) two hundred fifty (250) owners of real property within the political subdivision; or

(B) ten percent (10%) of the owners of real property within the political subdivision.

(5) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county auditor under subdivision (6).

(6) Each petition must be filed with the county auditor not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(7) The county auditor must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within fifteen (15) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 9. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

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- (A) publication in accordance with IC 5-3-1; and
- (B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

- (A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

- (B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of real property;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and
- (D) govern the closing date for the petition and remonstrance period.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to

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1 distribute to other property owners. The county auditor may not
 2 issue a petition or remonstrance form earlier than twenty-nine
 3 (29) days after the notice is given under subdivision (1). The
 4 county auditor shall certify the date of issuance on each petition
 5 or remonstrance form that is distributed under this subdivision.

6 (4) The petitions and remonstrances must be verified in the
 7 manner prescribed by the state board of accounts and filed with
 8 the county auditor within the sixty (60) day period described in
 9 subdivision (2) in the manner set forth in section 3.1 of this
 10 chapter relating to requests for a petition and remonstrance
 11 process.

12 (5) The county auditor must file a certificate and the petition or
 13 remonstrance with the body of the political subdivision charged
 14 with issuing bonds or entering into leases within fifteen (15)
 15 business days of the filing of a petition or remonstrance under
 16 subdivision (4), whichever applies, containing ten thousand
 17 (10,000) signatures or less. The county auditor may take an
 18 additional five (5) days to review and certify the petition or
 19 remonstrance for each additional five thousand (5,000) signatures
 20 up to a maximum of sixty (60) days. The certificate must state the
 21 number of petitioners and remonstrators that are owners of real
 22 property within the political subdivision.

23 (6) If a greater number of owners of real property within the
 24 political subdivision sign a remonstrance than the number that
 25 signed a petition, the bonds petitioned for may not be issued or
 26 the lease petitioned for may not be entered into. The proper
 27 officers of the political subdivision may not make a preliminary
 28 determination to issue bonds or enter into a lease for the
 29 controlled project defeated by the petition and remonstrance
 30 process under this section or any other controlled project that is
 31 not substantially different within one (1) year after the date of the
 32 county auditor's certificate under subdivision (5). Withdrawal of
 33 a petition carries the same consequences as a defeat of the
 34 petition.

35 (7) After a political subdivision has gone through the petition and
 36 remonstrance process set forth in this section, the political
 37 subdivision is not required to follow any other remonstrance or
 38 objection procedures under any other law **(including section 5 of**
 39 **this chapter)** relating to bonds or leases designed to protect
 40 owners of real property within the political subdivision from the
 41 imposition of property taxes to pay debt service or lease rentals.
 42 However, the political subdivision must still receive the approval

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of the state board of tax commissioners required by
IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 10. IC 8-16-3.1-4 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:
Sec. 4. (a) The executive of any eligible county may provide a major
bridge fund in compliance with IC 6-1.1-41 to make available funding
for the construction of major bridges.

(b) The executive of any eligible county may levy a tax in
compliance with IC 6-1.1-41 not to exceed **ten three and thirty-three**
hundredths cents (~~\$0.10~~) (**\$0.0333**) on each one hundred dollars
(\$100) assessed valuation of all taxable personal and real property
within the county to provide for the major bridge fund.

SECTION 11. IC 13-21-3-12, AS AMENDED BY P.L.225-2001,
SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2002]: Sec. 12. Except as provided in section 14.5 of this
chapter, the powers of a district include the following:

(1) The power to develop and implement a district solid waste
management plan under IC 13-21-5.

(2) The power to impose district fees on the final disposal of solid
waste within the district under IC 13-21-13.

(3) The power to receive and disburse money, if the primary
purpose of activities undertaken under this subdivision is to carry
out the provisions of this article.

(4) The power to sue and be sued.

(5) The power to plan, design, construct, finance, manage, own,
lease, operate, and maintain facilities for solid waste
management.

(6) The power to enter with any person into a contract or an
agreement that is necessary or incidental to the management of
solid waste. Contracts or agreements that may be entered into
under this subdivision include those for the following:

(A) The design, construction, operation, financing, ownership,
or maintenance of facilities by the district or any other person.

(B) The managing or disposal of solid waste.

(C) The sale or other disposition of materials or products
generated by a facility.

Notwithstanding any other statute, the maximum term of a
contract or an agreement described in this subdivision may not
exceed forty (40) years.

(7) The power to enter into agreements for the leasing of facilities
in accordance with IC 36-1-10 or IC 36-9-30.

(8) The power to purchase, lease, or otherwise acquire real or

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personal property for the management or disposal of solid waste.

(9) The power to sell or lease any facility or part of a facility to any person.

(10) The power to make and contract for plans, surveys, studies, and investigations necessary for the management or disposal of solid waste.

(11) The power to enter upon property to make surveys, soundings, borings, and examinations.

(12) The power to:

(A) accept gifts, grants, loans of money, other property, or services from any source, public or private; and

(B) comply with the terms of the gift, grant, or loan.

(13) The power to levy a tax within the district to pay costs of operation in connection with solid waste management, subject to the following:

(A) Regular budget and tax levy procedures.

(B) Section 16 of this chapter.

However, except as provided in ~~section~~ **sections 15 and 15.5** of this chapter, a property tax rate imposed under this article may not exceed eight and thirty-three hundredths cents (\$0.0833) on each one hundred dollars (\$100) of assessed valuation of property in the district.

(14) The power to borrow in anticipation of taxes.

(15) The power to hire the personnel necessary for the management or disposal of solid waste in accordance with an approved budget and to contract for professional services.

(16) The power to otherwise do all things necessary for the:

(A) reduction, management, and disposal of solid waste; and

(B) recovery of waste products from the solid waste stream;

if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(17) The power to adopt resolutions that have the force of law. However, a resolution is not effective in a municipality unless the municipality adopts the language of the resolution by ordinance or resolution.

(18) The power to do the following:

(A) Implement a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project.

(B) Apply for a household hazardous waste collection and disposal project grant under IC 13-20-20 and carry out all commitments contained in a grant application.

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(C) Establish and maintain a program of self-insurance for a household hazardous waste and conditionally exempt small quantity generator (as described in 40 CFR 261.5(a)) collection and disposal project, so that at the end of the district's fiscal year the unused and unencumbered balance of appropriated money reverts to the district's general fund only if the district's board specifically provides by resolution to discontinue the self-insurance fund.

(D) Apply for a household hazardous waste project grant as described in IC 13-20-22-2 and carry out all commitments contained in a grant application.

(19) The power to enter into an interlocal cooperation agreement under IC 36-1-7 to obtain:

- (A) fiscal;
- (B) administrative;
- (C) managerial; or
- (D) operational;

services from a county or municipality.

(20) The power to compensate advisory committee members for attending meetings at a rate determined by the board.

(21) The power to reimburse board and advisory committee members for travel and related expenses at a rate determined by the board.

(22) In a joint district, the power to pay a fee from district money to the counties in the district in which a final disposal facility is located.

(23) The power to make grants or loans of:

- (A) money;
- (B) property; or
- (C) services;

to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product, if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article.

(24) The power to establish by resolution a nonreverting capital fund. A district's board may appropriate money in the fund for:

- (A) equipping;
- (B) expanding;
- (C) modifying; or
- (D) remodeling;

an existing facility. Expenditures from a capital fund established

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under this subdivision must further the goals and objectives contained in a district's solid waste management plan. Not more than five percent (5%) of the district's total annual budget for the year may be transferred to the capital fund that year. The balance in the capital fund may not exceed twenty-five percent (25%) of the district's total annual budget. If a district's board determines by resolution that a part of a capital fund will not be needed to further the goals and objectives contained in the district's solid waste management plan, that part of the capital fund may be transferred to the district's general fund, to be used to offset tipping fees, property tax revenues, or both tipping fees and property tax revenues.

(25) The power to conduct promotional or educational programs that include giving awards and incentives that further the district's solid waste management plan.

(26) The power to conduct educational programs under IC 13-20-17.5 to provide information to the public concerning:

(A) the reuse and recycling of mercury in:

- (i) mercury commodities; and
- (ii) mercury-added products; and

(B) collection programs available to the public for:

- (i) mercury commodities; and
- (ii) mercury-added products.

(27) The power to implement mercury collection programs under IC 13-20-17.5 for the public and small businesses.

SECTION 12. IC 13-21-3-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:**

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in IC 6-1.1-21-2); and



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(2) may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

SECTION 13. IC 21-2-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) To provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.

(b) The maximum property tax rate levied by each school corporation must be adjusted each time a general reassessment of property takes effect **for taxes payable in the year that immediately succeeds the year in which the general reassessment of property takes effect. The maximum property tax rate levied under subsection (a) applies for taxes payable in any other year.**

(c) The ~~new~~ maximum rate under this section **for taxes payable in the year that immediately succeeds the year in which the general reassessment of property takes effect** is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).



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1 STEP SIX: Determine the greater of the following:

2 (A) Zero (0).

3 (B) The result of the STEP TWO percentage minus the STEP
4 FIVE percentage.

5 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
6 divided by the sum of one (1) plus the STEP SIX percentage
7 increase.

8 (d) The ~~state board of tax commissioners~~ **department of local**
9 **government finance** shall compute the maximum rate allowed under
10 subsection (c) and provide the rate to each school corporation.

11 SECTION 14. IC 36-8-11-26 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:
13 Sec. 26. After a sufficient appropriation for the purchase of firefighting
14 apparatus and equipment, including housing, is made and is available,
15 the district's fiscal officer, with the approval of the board and the
16 county fiscal body, may purchase the firefighting apparatus and
17 equipment for the district on an installment conditional sale or
18 mortgage contract running for a period not exceeding:

19 (1) six (6) years; or

20 (2) fifteen (15) years for a district that:

21 (A) has a total assessed value of ~~twenty sixty~~ million dollars
22 ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the
23 ~~state board of tax commissioners;~~ **department of local**
24 **government finance;** and

25 (B) is purchasing the firefighting equipment with funding from
26 the:

27 (i) state or its instrumentalities; or

28 (ii) federal government or its instrumentalities.

29 The purchase shall be amortized in equal or approximately equal
30 installments payable on January 1 and July 1 each year.

31 SECTION 15. IC 36-8-13-5 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:
33 Sec. 5. After a sufficient appropriation has been made and approved
34 and is available for the purchase of firefighting apparatus and
35 equipment, including housing, the township executive, with the
36 approval of the township legislative body, may purchase it for the
37 township on an installment conditional sale or mortgage contract
38 running for a period not exceeding:

39 (1) six (6) years; or

40 (2) fifteen (15) years for a township that:

41 (A) has a total assessed value of ~~twenty sixty~~ million dollars
42 ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the

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1 state board of tax commissioners; department of local
2 government finance; and

3 (B) is purchasing the firefighting equipment with funding from
4 the:

5 (i) state or its instrumentalities; or

6 (ii) federal government or its instrumentalities.

7 The purchase shall be amortized in equal or approximately equal
8 installments payable on January 1 and July 1 each year.

9 SECTION 16. IC 36-8-19-8.7 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:
11 Sec. 8.7. After a sufficient appropriation for the purchase of firefighting
12 apparatus and equipment, including housing, is made and is available,
13 the participating units, with the approval of the fiscal body of each
14 participating unit, may purchase the firefighting apparatus and
15 equipment for the territory on an installment conditional sale or
16 mortgage contract running for a period not exceeding:

17 (1) six (6) years; or

18 (2) fifteen (15) years for a territory that:

19 (A) has a total assessed value of ~~twenty six~~ million dollars
20 ~~(\$20,000,000)~~ **(\$60,000,000)** or less, as determined by the
21 ~~state board of tax commissioners;~~ **department of local**
22 **government finance;** and

23 (B) is purchasing the firefighting equipment with funding from
24 the:

25 (i) state or its instrumentalities; or

26 (ii) federal government or its instrumentalities.

27 The purchase shall be amortized in equal or approximately equal
28 installments payable on January 1 and July 1 each year.

29 SECTION 17. [EFFECTIVE JANUARY 1, 2002
30 (RETROACTIVE)] **(a) IC 13-21-3-15.5, as added by this act, applies**
31 **to property taxes first due and payable after December 31, 2001.**

32 **(b) The following, all as amended by this act, apply to property**
33 **taxes first due and payable after December 31, 2001:**

34 **IC 6-1.1-17-3**

35 **IC 6-1.1-17-5**

36 **IC 6-1.1-17-13**

37 **IC 6-1.1-18.5-9.8**

38 **IC 6-1.1-18.5-12**

39 **IC 6-1.1-19-2**

40 **IC 8-16-3.1-4**

41 **IC 13-21-3-12**

42 **IC 21-2-15-11**



1 **IC 36-8-11-26**
 2 **IC 36-8-13-5**
 3 **IC 36-8-19-8.7.**
 4 **(c) IC 6-1.1-20-1.1, IC 6-1.1-20-3.1, and IC 6-1.1-20-3.2, all as**
 5 **amended by this act, apply to bonds and leases for which notice**
 6 **under IC 6-1.1-20-3.1, as amended by this act, is published and sent**
 7 **after June 30, 2002.**
 8 **(d) This SECTION expires January 1, 2003.**
 9 **SECTION 18. An emergency is declared for this act.**

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